

Borrowing Authority Act

Government took certain actions that impacted on people in such a way as to be clear discrimination against people of certain ages.

It was decided in order to save x number of dollars to use the income of a person from his or her separation of employment. In other words, when somebody today, as of March 31 gone by, receives an amount of money from his or her employer, whether it be separation pay, accumulated sick leave benefits, no matter what it is, that person in receiving that money would impact on other federal Government programs, specifically, unemployment insurance. If you receive say, \$2,000 on separation of your employment and if you were eligible to receive \$200 a week unemployment insurance upon separation, then the new policy says you cannot receive it until after the first 10 weeks. When you look at that as a cumulative effect on somebody's income he or she received after being employed, you discover that in a great many cases people lost as much as \$12,500 because you have to take into account what that person would have been eligible to receive and what that person now loses as it relates to payments upon separation of employment.

If that were not bad enough in trying to save money for the Government of Canada, what the Government did was to say we will also take into account all payments received in the form of pensions. How many thousands upon thousands of people take early retirement? How many people in the Armed Forces leave after 20 years, go to work after that and now, although they paid into unemployment insurance, they cannot draw it because of the measures taken by the Government of Canada in the last November statement in an effort to save money, in an effort, so the Government of Canada says, not to have to borrow as much, so as to reduce the deficit.

What we had was a cumulative effect of these measures. First, if you worked all of your life, you always had in Canada that benefit given to you that you paid in all your life. You could draw a year's unemployment insurance if you so wished. That was taken away because you now take into account your severance pay, your cumulative sick leave pay, in fact all payments made by the employer upon separation of employment. Then the Government in the same measure said that all pensions received will be taken into account as income for unemployment insurance benefits.

You can imagine someone who has worked for the Government of Canada for years receiving a small pension on leaving, receiving separation pay, losing cumulatively \$12,500 and then not being allowed to draw unemployment insurance after having paid it. A millionaire who could have investment income, drawing income from the bank or investment is not affected. Why, Mr. Speaker? Because the Government of Canada said that only pension incomes will be taken into account.

The Government of Canada talked about old age pensions and said it was going to deindex those to a certain degree, but that was only one thing in a long list of things that have been done since the new Government of Canada took office. There are things that were not talked about very much, not discussed

very much, not talked about in the committees and not examined very much, but the person who is ceasing his employment after many years knows the effects compared to previous years.

As well, along the same trend, Mr. Speaker, the Government of Canada took certain actions which I suppose look good on paper but which affect people to a very great degree. In some cases I do not believe the Minister in charge of that Department really knew what the effect would be down the line. I will give you as an example, Sir, the reduction in the home repair program given by the Minister as being a way of reducing the deficit, a way of reducing expenditures in his Department.

● (1710)

Many offices throughout the country were delivery agents for RRAP and existed on income from the Government of Canada for processing applications forms. In other words, delivery agents received about \$500 for processing an application form under that program. In some cases it was \$450, in other cases it was \$500, and in northern areas it was over \$1,000 for each application form. The offices with their clerks, inspectors and managers existed on that income. Whether the delivery agent was a national anti-poverty organization, a provincial housing authority or a municipality, that is how the system worked. The Government of Canada came along, said that it wanted to save money and chopped funds from RRAP. No one thought about—and certainly departmental officials did not think about it—what would happen after the amount was reduced by the Minister and it was realized that the income from the processing of applications would not be adequate to keep those offices going.

What have we seen over the past few months? We have seen these offices close and delivery agents disappear. We have heard provincial administrations saying that they cannot make up the difference to maintain those offices. Now we see vast areas of the country, which were covered before, not being covered. The people involved have been asking for a calculation of the cut, how the amount was arrived at. Nationally it is a 25 per cent cut, whereas in Newfoundland it is 44 per cent.

Let us look at the absolute inaction on the part of the Government of Canada as it relates to certain things which should be done. In the name of reducing the deficit, the Government has not even looked at them. One example would be the federal minimum wage and its effect on poor people. On January 1, 1985, at least five provinces increased their minimum wage, and a couple of provinces since then have done so. There is an unwritten rule—it is not in legislation nor in the regulations—which says that the federal minimum wage will be equal to the average across the country.

The federal minimum wage applies to federal property and to all agencies, organizations and groups regulated under the Canada Labour Code; in other words, radio stations and various other operations. There is a reason for that. We do not want a janitor, for example, to receive a higher minimum wage for working for a private business one week than he would